



GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

MARCH 6, 2003

<u>TM GRAIN TRANSPORT COST</u>				<u>Ocean</u>	
<u>INDICATORS</u>	<u>Truck</u>	<u>Rail</u>	<u>Barge</u>	Gulf	PNW
Indicator Value* for 03/06	117	116	101	127	135
Compared to Last Week	↑	↑	↑	↑	➡
*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan					

Mar. 10-12	American Farmland Trust National Conference	Pacific Grove, CA	Doris Mittasch 413-589-9330 (ph) dmittasch@farmland.org
Mar. 25-28	National Grain and Feed Association (NGFA) 107 th Annual Convention	Tucson, AZ	202-289-0873 (ph) 202-289-5388 (fax) ngfa@ngfa.org
Mar. 31-Apr. 1	European Outlook Conference 2003: Reform, Trade & Sustainability	London, England	+44(0) 1892 533813 (ph) +44(0) 1892 544895 (fax) www.agra-net.com
Apr. 25-28	Agricultural Information for the New Millenium: New Crops, Biotechnology and Saving The Past	Champaign, Ill	Pat Allen 217-244-2245 (ph) 217-333-0558 (fax) Allen2@vivc.edu
May 4-6	North American Rail Shippers Assoc. Annual Mtg.	Washington, DC	202-639-2100 (ph)
May 5-7	American Feed Association Expo 2003	Minneapolis, MN	703-524-0810 (ph) afia@afia.org
May 18-20	2003 World Congress, A New Age In Agriculture: Working Together to Create the Future and Disable the Barriers	St. Louis, MO	314-206-3208 (ph) 314-206-3222 (fax)
June 21-25	120 th American Seed Trade Association (ASTA) Annual Convention	Henderson, NV	703-837-8140 (ph) 703-837-9365 (fax)
July 13-18	28 th Annual Summer Ports, Waterways, Freight and International Trade Conference	Portland, OR	Joedy Cambridge 202-334-2000 Jcambridge@ngs.ed
July 20-22	U.S. Grains Council, 43 rd Annual Board of Directors Meeting; 4 th International Grain Marketing Conference & Trade Show	Minneapolis, MN	202-789-0789 (ph) 202-898-0522 (fax) grains@grains.org

Report is prepared by Deen Olowolayemo, Hooshang Fazel, and Johnny Hill, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov.

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The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

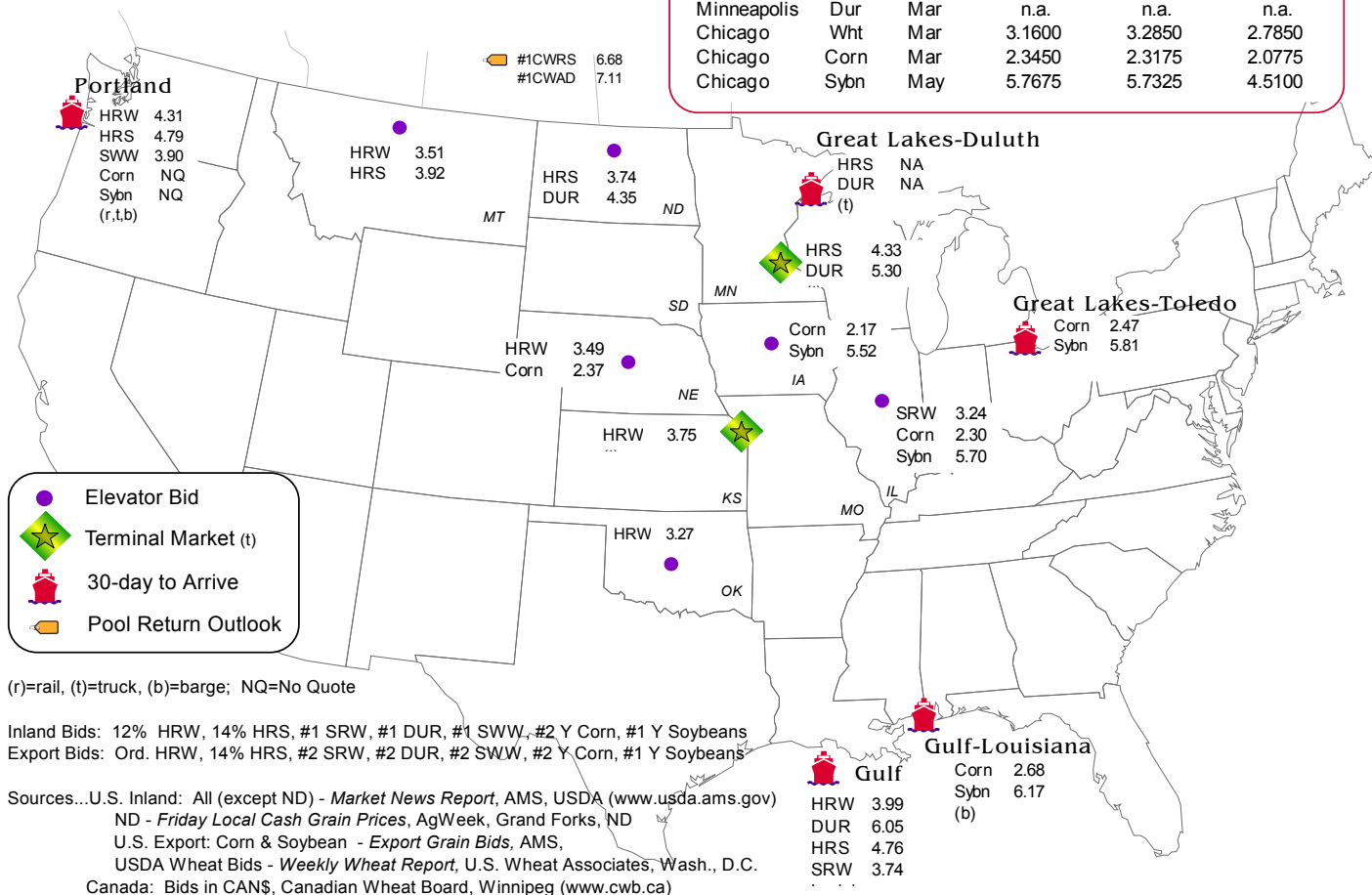
Market Update: U.S. Origins to Export Position Price Spreads (Per Bushel)

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.38	-0.36
Corn	NE -- Gulf	-0.31	-0.28
Soybean	IA -- Gulf	-0.65	-0.64
HRW	KS -- Gulf	-0.24	-0.37
HRS	ND -- Portland	-1.05	-1.02

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Grain Bid Summary

Futures:				02/28/2003	Week Ago 02/21/2003	Year Ago 02/29/2002
Kansas City	Wht	Mar		3.4650	3.5975	2.8625
Minneapolis	Wht	Mar		2.7800	3.8475	3.0025
Minneapolis	Dur	Mar		n.a.	n.a.	n.a.
Chicago	Wht	Mar		3.1600	3.2850	2.7850
Chicago	Corn	Mar		2.3450	2.3175	2.0775
Chicago	Sybn	May		5.7675	5.7325	4.5100



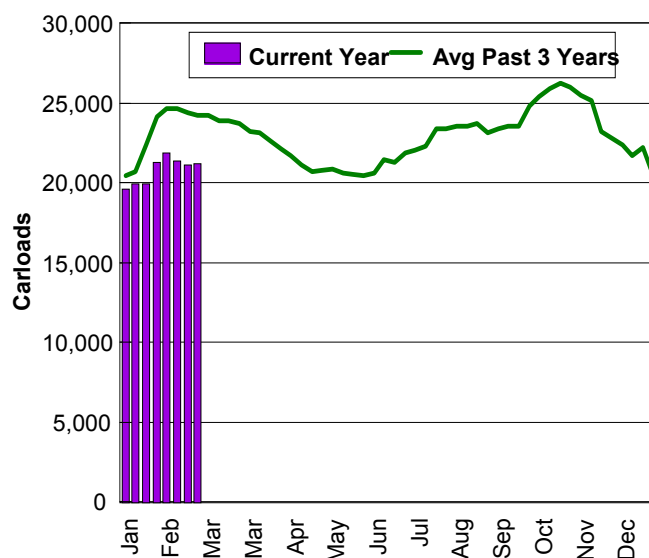
RAIL TRANSPORTATION

Rail Deliveries to Port (Carloads)

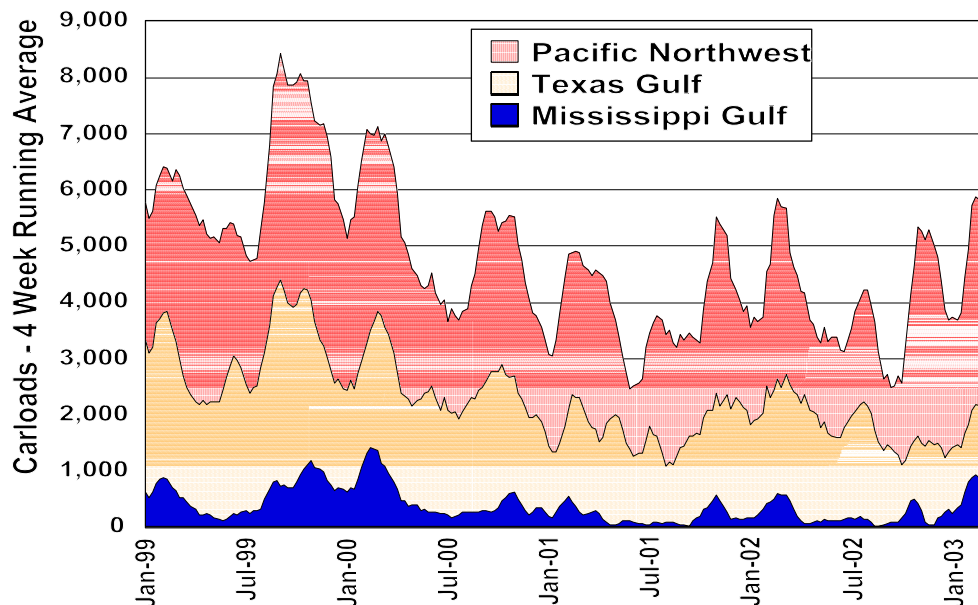
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
02/12/03	775	823	3,130	675	5,403
02/19/03	817	1,444	3,392	866	6,519
YTD 2003	5,949	9,357	25,657	5,879	46,842
YTD 2002	3,587	15,145	19,566	6,591	44,889
% YTD 2002	166%	62%	131%	89%	104%
Total 2002	11,112	83,799	111,719	21,551	228,181
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Grain Car Loadings for Class I Railroads



Rail Deliveries to Port



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin (Grain Carloads Originated and Grain Service Index)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
02/22/03	2,595	3,380	8,260	201	7,366	21,802	2,522	3,005
This Week Last Year	3,095	2,754	7,922	795	7,621	22,187	4,018	3,419
2003 YTD	23,610	26,404	63,167	3,182	53,903	170,266	25,852	26,013
2002 YTD	25,246	25,065	68,552	5,810	54,458	179,131	32,509	30,125
% of Last Year	94%	105%	92%	55%	99%	95%	80%	86%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765

U.S. Rail Covered Hopper Cars Online Index*

Feb-03	97.0	100.4	94.1	86.4	92.9	95.0
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Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Apr-03	May-03	Jun-03
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid

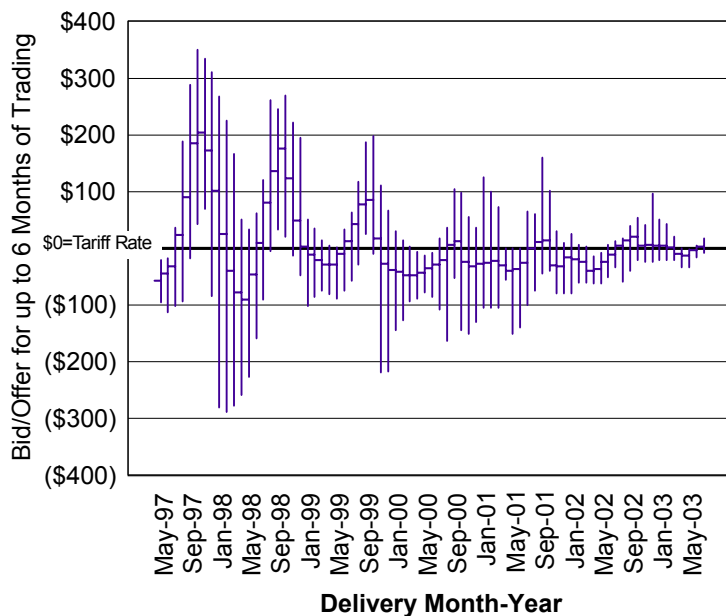
Source: Transportation & Marketing/AMS/USDA.

COT=Certificate of Transportation; GCAS=Grain Car Allocation System

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Mar-03	Apr-03	May-03	Jun-03
BNSF-GF	\$(13)	\$(16)	\$(29)	\$(10)
UP-Pool	\$(28)	\$(21)	\$(22)	\$3

Secondary Rail Market Bid**Tariff Rail Rates for Unit Train Shipments**

January 2003

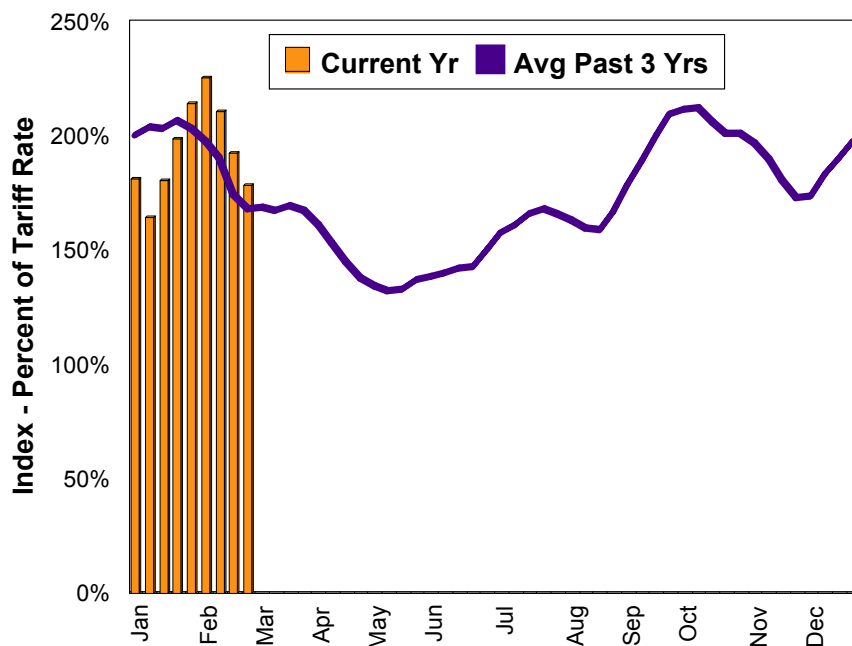
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
03/03/03	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
03/03/03	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
03/03/03	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
03/03/03	43586	Wheat	Kansas City, MO	Portland, OR	\$4,420	\$48.72	\$1.33
03/03/03	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
03/03/03	31005	Corn	Minneapolis, MN	Portland, OR	\$3,050	\$33.62	\$0.85
03/03/03	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
03/03/03	31005	Corn	Omaha, NE	Portland, OR	\$2,850	\$31.42	\$0.80
03/03/03	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,030	\$33.40	\$0.91
03/03/03	61110	Soybean	Omaha, NE	Portland, OR	\$2,780	\$30.64	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate** Per Ton:
 $\text{Index} \times 1976 \text{ Tariff Benchmark Rate per Ton}$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	2/26/03	2/19/03	Mar. '03	May '03
Twin Cities	nq	nq	203	187
Mid-Mississippi	nq	nq	178	157
Illinois River	169	165	167	150
St. Louis	133	133	133	131
Lower Ohio	120	132	128	131
Cairo-Memphis	109	113	114	120

Source: Transportation & Marketing /AMS/USDA
 nq=no quote

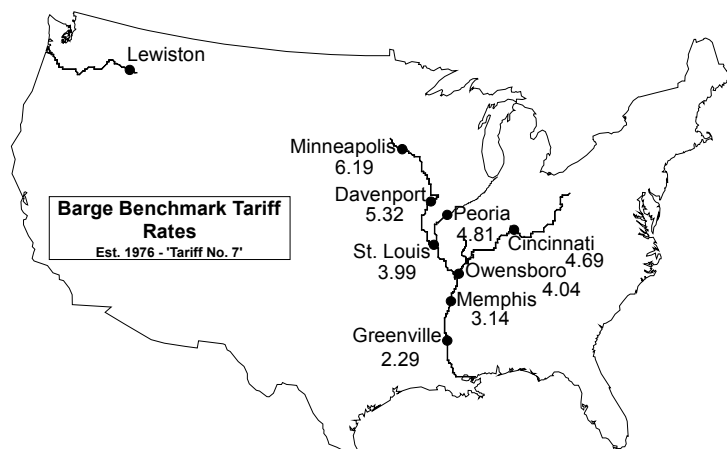
BARGE FUTURES MARKET

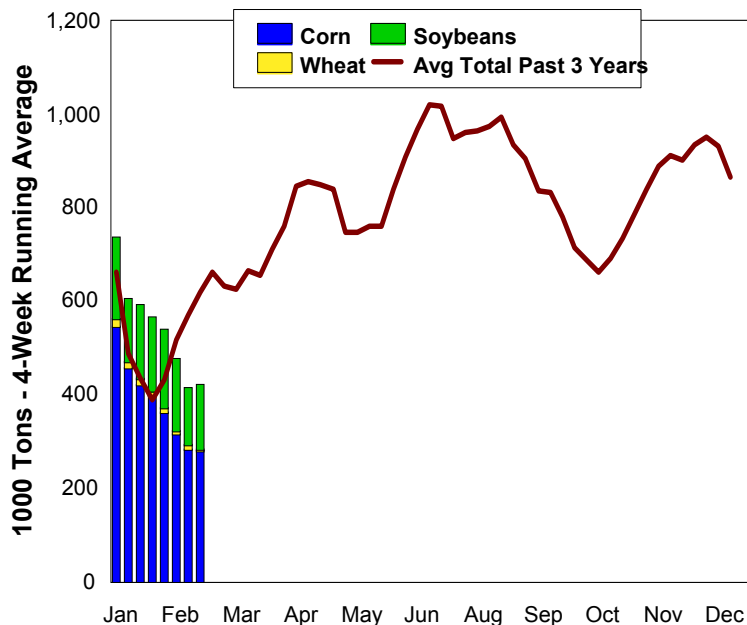
Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
3/04/03	St. Louis	Mar	n/a	145
		May	n/a	140
		July	n/a	148
		Sept	n/a	180
		Oct	n/a	200
	Illinois River	Mar	n/a	180
		May	n/a	163
		July	n/a	165
		Sept	n/a	195
		Oct	n/a	220

Source: St. Louis Merchants Exchange

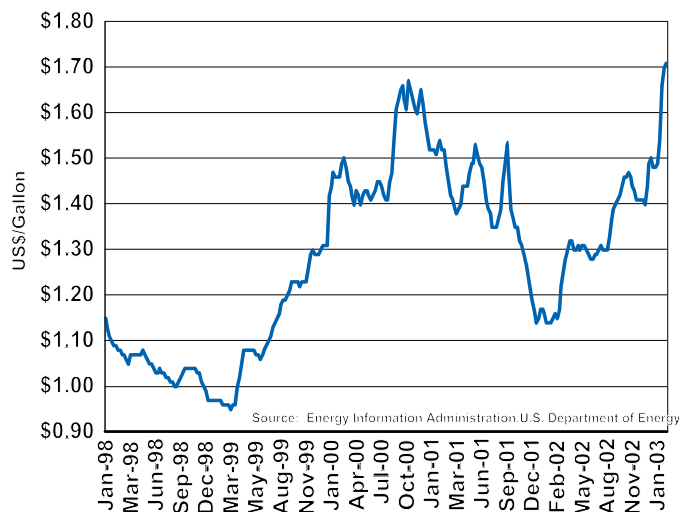


Barge Movements on the Mississippi River (Lock 27)**Barge Grain Movements (1,000 Tons)**
for week ending 2/22/03

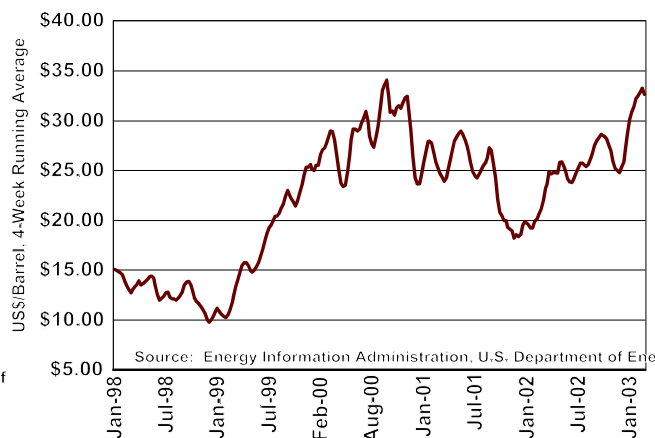
	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	0	0	0	0
Alton, IL (L26)	346	3	149	498
Granite City, IL (L27)	323	3	115	441
Illinois River (L8)	365	3	108	484
Ohio River (L52)	24	2	41	88
Arkansas River (L1)	0	37	22	59
2003 YTD	3,350	283	2,018	5,885
2002 YTD	4,408	259	1,954	6,983
% of 2002 YTD	76%	110%	104%	85%
Total 2001	31,878	2,679	10,616	47,091

Source: U.S. Army Corp of Engineers

YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

TRUCK TRANSPORTATION**Weekly U.S. Retail Road Diesel Price**

The weekly **Diesel Price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly Brent Crude Price, Friday Close**Crude Oil Prices (03/4/03)**

US\$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	34.28	34.83	↓
Brent Crude	34.05	33.23	↑

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)

	HRW	SRW	Wheat HRS	SWW	DUR	All	Corn	Soybean	Total
<u>Unshipped Export Balances</u>									
02/20/03	1,125	468	1,207	604	167	3,570	5,063	4,522	13,155
This Week Year Ago	1,204	733	839	485	139	3,400	8,410	4,265	16,075
<u>Cumulative Exports-Crop Year</u>									
02/03 YTD	5,359	2,243	4,841	2,576	557	15,576	19,208	19,863	54,647
01/02 YTD	6,264	4,070	4,062	2,417	952	17,765	20,187	17,713	55,665
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	26,972	101,185

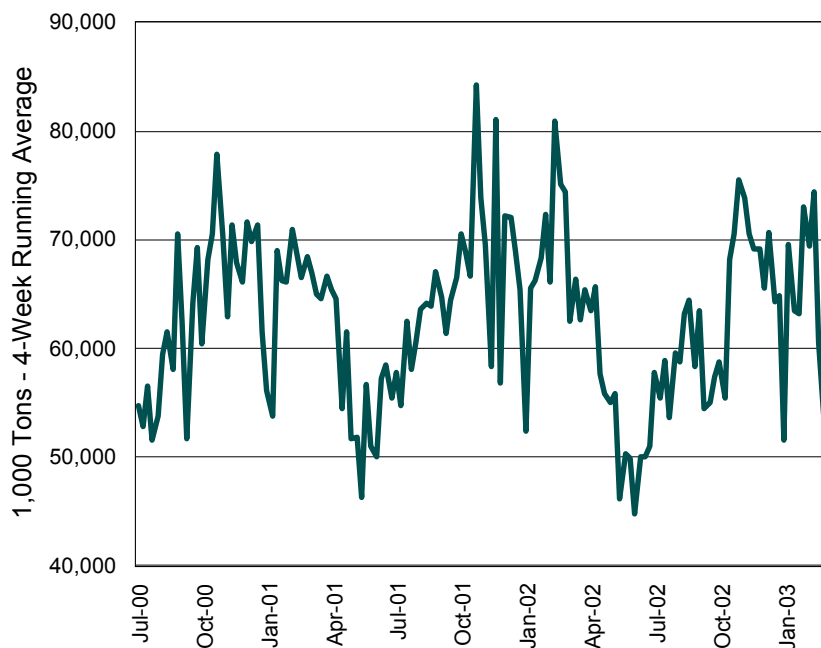
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov)

Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export (1,000 Metric Tons)

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>			<u>Port Region Total</u>		
	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Pacific	Mississippi	Texas
02/27/03	167	108	126	41	403	646	68	0	0	401	1,090	68
2003 YTD	1,195	977	1,143	904	4,917	6,610	740	8	11	3,316	12,431	759
2002 YTD	1,617	981	798	1,017	6,031	5,873	1,005	14	192	3,396	12,922	1,212
% of 2002 YTD	74%	100%	143%	89%	82%	113%	74%	57%	6%	98%	96%	63%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export**Select Canadian Port Export Inspections**

1,000 Metric Tons, Week End Summary

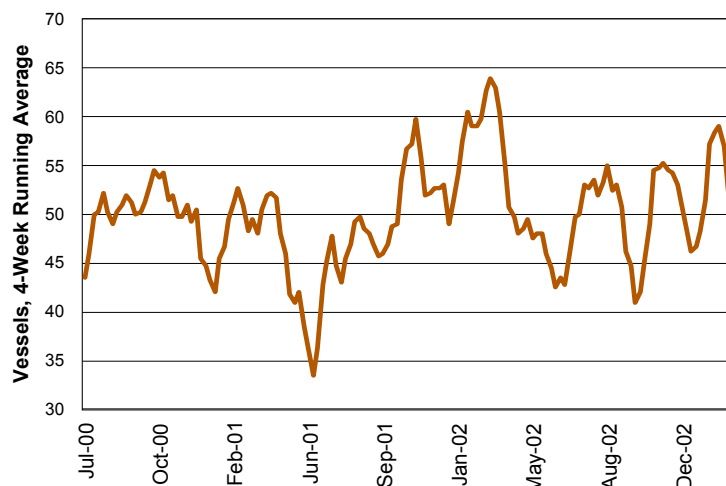
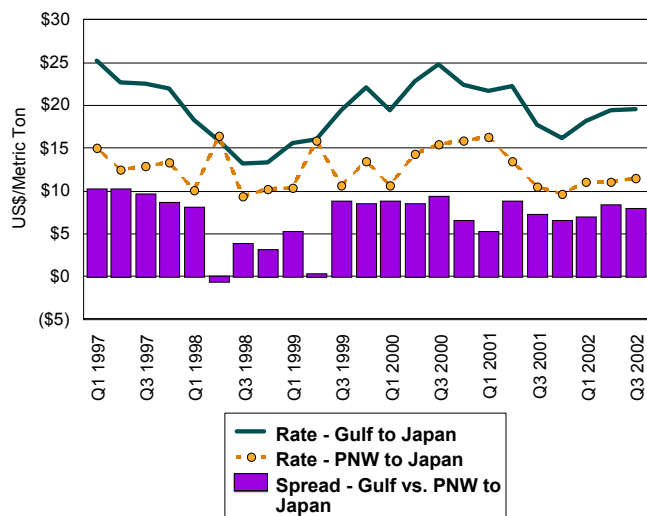
	Wheat	Durum	Barley
02/13/2003			
Vancouver			17
Prince Rupert	54		
Prairie Direct	2		2
Thunder Bay			
St. Lawrence	2,723	1,495	203
2001/02 YTD	7,275	1,766	534
2002/03 YTD	2,779	1,495	222
% of Last Year	262%	118%	241%

Source: Canadian Grains Commission, Crop Year 8/1-7/31

Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
02/20/03	46	49	53	11	5
02/27/03	33	45	59	9	1
2002 Range (15..55)	(33..66)	(44..82)	(3..15)	(0..12)	
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing /AMS/ USDA

**Gulf Port Region Grain Vessel Loading
Past 7 Days****Grain Vessel Rates to Japan****Quarterly Ocean Freight Rates**

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2002 4 th Qtr	2001 4 th Qtr	% Change		2002 4 th Qtr	2001 4 th Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$24.75	\$16.25	52%	Japan	\$15.39	\$9.64	60%
Mexico	\$7.50	-	-				
N. Europe	\$18.07	\$11.73	54%	Argentina/Brazil to			
N. Africa	\$18.33	\$16.98	8%	Med. Sea	\$22.00	-	-
Med. Sea		\$10.58	-	N. Europe	\$22.63	\$15.72	44%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates for Selected Shipments - week ending 3/1/03

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
U.S. Gulf	Venezuela	Maize	Mar. 10/15	25,000	\$15.00
U.S. Gulf	Japan	Heavy Grain	Feb. 28/Mar.11	54,000	\$27.40
U.S. Gulf	China	Heavy Grain	Feb. 26/28	55,000	\$26.00
River Plate, Brazil	Cyprus	Maize	Mar. 1/5	25,000	\$22.80
Ilichevsk, Russia	Durban, S. Africa	Wheat	Fe. 25/28	30,000	\$19.00

Source: Maritime Research Inc.

Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

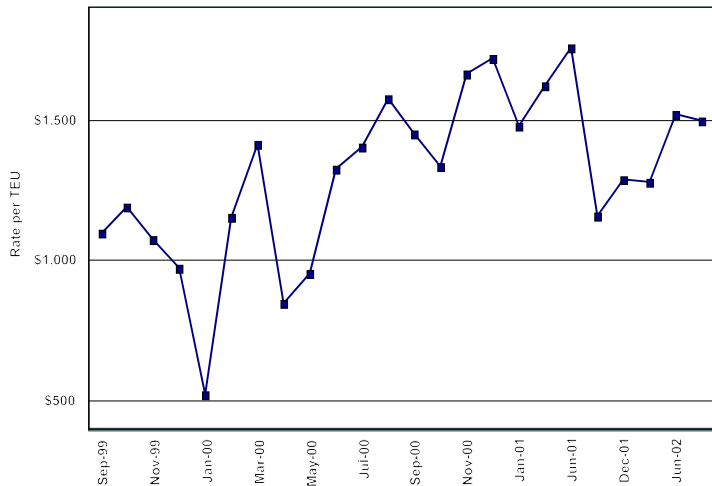
CONTAINER

Container Ocean Freight Rates

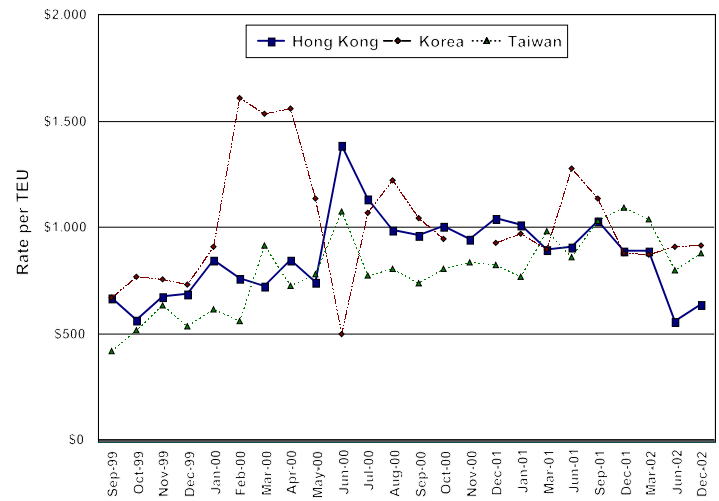
Average Rate per TEU, Weighed by Shipping Line Market Share

Source: Transportation & Marketing/AMS/USDA, Quarterly Updates

Container Rates - Soybeans
Seattle, WA Origin to Tokyo, Japan



Container Rates - Feed Grain
Seattle, WA Origin to Selected Destinations



Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.